

FISCAL NOTE

HB 443 - SB 1042

February 24, 2007

SUMMARY OF BILL: Requires the Department of Human Services to annually report on any employers who employ 25 or more public health program beneficiaries to the Senate General Welfare, Health and Human Resources Committee and the House Health and Human Resources Committee.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$1,392,050 Recurring
\$105,600 One-Time**

**Other Fiscal Impact-Increase Federal Expenditures- \$1,392,050 Recurring
\$105,600 One-Time**

Assumptions:

- There would be a significant increase in expenditures for the verification of employer information for public health beneficiaries.
- The Department of Human Services (DHS) Investigation unit verifies employer information through claims recovery. It is estimated that 10% of the investigation unit work time was for verification purposes. If this same percentage is applied to 50% of the Medicaid households, or 224,500 households, DHS estimates that they will need an additional 50 investigators, five supervisors and five administrative support staff positions.
- For 60 positions, there will be an increase in expenditures of \$2,363,800 for salary and benefits, \$82,800 for telephone and LAN/WAN connection fees, \$12,000 for supplies, \$237,600 for office space, \$150,000 (one-time) for equipment, and \$5,400 other expenses. Total increase in expenditures for 60 positions is \$2,851,600.
- DHS will also need an additional position to coordinate and maintain the reporting and interfaces. Such is estimated to increase expenditures of \$58,200 for salary and benefits; \$5,500 for telephone and LAN/WAN connection, supplies, and space; and \$2,600 (one-time) for equipment and other related expenses. Total increase in expenditures for such position is estimated at \$66,300.

- There will be an increase in expenditures of \$77,400 for analysis, design, testing (\$58,600 one-time) and annual maintenance of the needed software development (\$18,800).
- The Bureau of TennCare provides 100% funding for DHS eligibility operations dedicated to TennCare programs. The administrative federal match is 50%. Thus, the increase in expenditures is estimated to be \$1,497,650 in state funds and \$1,497,650 in federal funds.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director